

ALBERTA

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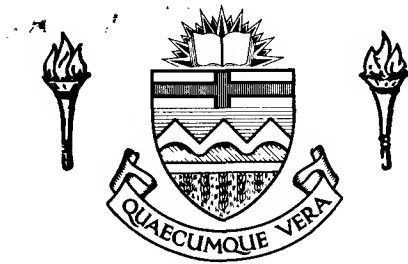
BUDGET
SPEECH

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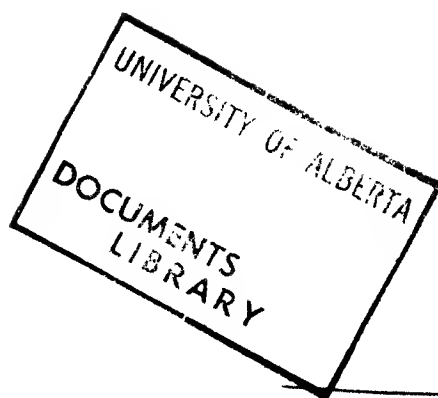
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BUDGET SPEECH

OF

THE HON. ERNEST C. MANNING

TREASURER OF THE PROVINCE OF ALBERTA

**Delivered on March 5th
1951**

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENT OF
FINANCIAL AND GENERAL INFORMATION

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1951

BUDGET SPEECH

THE HON. ERNEST C. MANNING

Mr. Speaker:

This is the seventh consecutive year that it has been my privilege to move the time-honoured motion that you do now leave the chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

The Budget I will present to you today has four significant and distinguishing characteristics.

1. It forecasts for the ensuing year total provincial revenues in excess of \$94,000,000. This is an all-time high in the history of the Province and reflects the far reaching benefits accruing to all our people from the progressive and orderly development of our natural resources.

2. It provides for expenditures in the public interest amounting to approximately \$94,000,000. This is over \$19,000,000 more than the amount expended in any previous year and is indicative of the unprecedented expansion currently taking place in our provincial economy and the increased public expenditures which progressive development and rapid growth make necessary.

3. It makes provision for a net reduction in taxation, licenses, fees, etc., in excess of \$3,000,000 as a direct benefit to provincial and municipal taxpayers.

4. It provides for direct and indirect financial assistance to School Districts, Municipalities, Improvement Districts and the Special Areas in excess of \$25,000,000, representing over 40% of the total estimated provincial expenditures on Income Account for the ensuing year.

Before outlining the details of the anticipated revenues and expenditures, may I review briefly some of the more important factors which, during the past year, have had a direct bearing on the progress and development of our provincial economy.

AGRICULTURE

Preliminary estimates of the gross value of all agricultural products in 1950 indicate an increase of \$41,453,000 over the previous year. The 1950 estimate is \$510,973,700 as compared with the 1949 total of \$469,520,700.

Despite adverse weather conditions in some areas of the Province, the production of grain crops is estimated at 250,183,000 bushels valued at \$250,356,000 as compared with 188,475,000 bushels valued at \$230,919,000 in 1949. Fodder crops totalled 2,286,000 tons valued at \$32,208,000, as compared with 1,824,000 tons valued at \$26,745,000 in 1949, while sugar beets and potato crops amounting to 572,350 tons valued at \$8,780,000 showed an increase of \$124,000 over the value of these products in 1949.

Livestock marketings during the year totalled 15,898 horses, 608,075 cattle and calves, 168,177 sheep and lambs and 960,608 hogs, valued at \$150,950,700, an increase of \$17,306,000 over the previous year,

Dairy products valued at \$42,019,000 show a decrease of \$1,264,000 while poultry products valued at \$23,500,000 show an increase of \$183,000 over 1949. It is of interest to note that the 1950 world production in agriculture exceeded both the 1949 and pre-war levels. While world supplies of most food items were greater in 1950 than in either 1949 or the pre-war years, the growth of population has been more rapid than the advance of production and the per capita food supplies in most countries are below those of the 1935 to 1939 periods. It is indicated that the demand for farm products in both Canada and the United States in 1951 will exceed that of 1950 and will affect particularly meats, dairy and poultry products.

Prices for Canadian farm commodities during 1951 are expected to remain firm with the exception of grain prices which may be slightly lower.

With respect to farm labour, the increased demand for workmen in urban industries has created a shortage of farm labour. The anticipated expansion of industry to meet defence requirements will aggravate this situation and immigration of agricultural labourers appears a necessity if farm requirements are to be met during the ensuing year.

NATURAL RESOURCES

The total value of production from our natural resources in 1950 is estimated at \$141,701,076 as compared with \$120,816,798 for the previous year, an increase of \$20,884,278.

The intensive oil development and exploration program which followed the Leduc and Redwater discoveries was further expanded during the past year. Crude oil production totalled 27,595,702 barrels, valued at \$82,216,492 as compared with 20,246,392 barrels valued at \$58,999,472 in 1949.

Actual production was far below the potential producing capacity of the present wells due to the temporary lack of accessible markets. The oil pipeline from Edmonton to the Great Lakes now completed will enable Alberta crude oil to enter the Eastern Canadian market in quantity during the coming year. While this will provide an outlet for a substantially increased amount of Alberta oil, the continuing steady increase in the number of producing wells makes further market expansion necessary.

As at February 15th, 1951, there were 2,088 producing oil wells in the

Province, 775 of which were in the Redwater field, 548 in the Leduc field, 329 in Turner Valley and the remaining 436 in other areas throughout the Province. Gas wells as of the same date totalled 401.

Approximately 59,000,000 acres of Crown and privately owned oil rights were under exploration in 1950. One hundred and twenty-seven drilling rigs were in operation in the Province at the end of the year as compared with 85 at the end of 1949.

During 1950, footage drilled totalled 4,330,198 feet, which is over 820 miles and is almost the equivalent of the total footage drilled in the two previous years. There is every indication that the present large scale exploration and development program will be further extended during the ensuing year. The Government will continue to give full co-operation and every proper encouragement to those who are prepared to invest in the development of our oil and gas resources under a system of free competitive individual enterprise. At the same time, the Government regards as its first duty and responsibility the protection of the rights and interests of the citizens of this Province and will at all times make certain that their requirements have first priority and that they receive a fair share of the benefits accruing from the development of their resources.

Before leaving the subject of the development of our oil and gas resources, it would be appropriate to refer briefly to the interim report of the Petroleum and Natural Gas Conservation Board on the matter of the public enquiry conducted by the Board into the question of Alberta's natural gas reserves and whether or not Alberta now has available for export a surplus of natural gas over and above our own present and future requirements. The Board's interim report already has been made available to the Honorable Members and I need only record here the observations contained in an official statement which I issued on behalf of the Government at the time the report was made public.

"1. The Government is satisfied that the Board has made a thorough and comprehensive investigation into the matter of Alberta's gas reserves and the provincial requirements and concurs in its conclusions and recommendations.

"2. The Board finds that Alberta's present established gas reserves are approximately equal to the amount of gas the Board estimates is necessary to ensure the present and future requirements of the Province and accordingly recommends that these reserves should be further increased before the export of gas is approved.

"3. The Government concurs fully in the Board's further conclusion that as quickly as additional reserves are established it will be in the best interests of the people of Alberta to make surplus gas available for sale outside the Province in that an export market will:

"(a) Encourage and speed up the development of our petroleum and natural gas reserves.

"(b) Encourage and make possible greater and more rapid industrial development within Alberta.

"(c) Make gas available to Alberta communities which otherwise could not be served.

"4. It is evident that by carrying out the recommendations of the Board's interim report the requirements and interests of the people of Alberta will be fully

protected while at the same time we should experience an accelerated exploration and drilling program for natural gas which should result in a surplus of gas for sale outside the Province.

"5. To facilitate this development the Government is amending its gas exploration and leasing regulations along the lines recommended by the Board to encourage the more speedy development of our vast gas resources.

"6. The adjournment of the Board's hearings until September afford the applicants for export permits an opportunity to present any new information resulting from accelerated development.

"7. If due to the uncertain international situation it should develop that Alberta gas is needed urgently for defence purposes the Government will give immediate consideration to any official request from the proper authorities knowing that the people of Alberta are ready and prepared to play their full part in any program necessary to the security and defence of this continent."

It should be a matter of satisfaction to all Honorable Members to know that since the release of the Board's report and the statement of the Government's position from which I have just quoted there has been increased activity in exploration for natural gas throughout the Province. The results thus far indicate that substantial exportable surpluses over and above Alberta's total present and future requirements will be established in the reasonably near future.

The production of coal in 1950 amounted to 8,118,206 tons, valued at \$41,631,579 as compared with 8,616,981 tons, valued at \$44,541,538 in 1949. This decline is at least partially due to the stiff competition which the coal industry is facing from oil and natural gas. The principal consumers of Alberta's bituminous coal are the two transcontinental railways and their program of conversion to oil burning and diesel locomotives makes it imperative that other markets for bituminous coal be developed.

The railways have announced that on March 31st, 1951, the special freight rate of \$8.40 per ton on Alberta coal moving to the Ontario market will be cancelled. The so-called normal tariff is \$13.10 a ton and the railways propose to re-establish such rate by means of two increases—one of \$2.35 per ton effective March 31st, 1951, and a second similar increase effective a year hence. This will render substantially more difficult present efforts to establish an Eastern Canadian market for Alberta coal and emphasizes the need for a national fuel policy designed to open Canadian markets to Canadian producers.

Value of lumber ties and pulpwood products produced during 1950 are estimated at \$13,790,700 as compared with \$13,113,000 for the year 1949, an increase of \$677,700.

INDUSTRIAL DEVELOPMENT

Alberta's industrial development program has made satisfactory progress during the current year. During the year ending December 31st, 1950, 705 new Alberta companies and 167 foreign companies registered in the Province. Nineteen new manufacturing industries were established in Alberta during the year involving capital expenditures on buildings and machinery amounting to over \$17,500,000.

In addition, 35 major companies, already established in the Province, expanded their facilities during the year at an estimated capital expenditure of approximately \$12,500,000. These totals do not include the numerous supply

houses and firms connected with Alberta's oil industry. Ten large companies presently are surveying the resources and industrial facilities available in Alberta.

Of major interest in the field of industrial development was the recent announcement by the Celanese Corporation of America of its intention to erect a plant in the Edmonton area involving a capital expenditure in excess of \$40,000,000. It is anticipated that this company eventually will employ between 800 and 1,000 workers and this huge project undoubtedly will have an important effect on the industrial economy of the Province.

During the year, as part of its program designed to stimulate greater industrialization by encouraging and assisting individual enterprise, industrial loans totalling \$184,000 were made under the provisions of The Alberta Industrial Corporation Act. Since this Act was passed by the Legislature in 1946, industrial loans totalling \$2,514,000 have been made. Repayments to date total \$1,402,156, leaving a balance outstanding as at December 31st, 1950, of \$1,111,843.

WATER RESOURCES AND POWER DEVELOPMENT

Large scale development of major irrigation projects in the drought areas of Southern Alberta has continued during the year.

A Dominion-Provincial agreement with respect to the construction and operation of the St. Mary's and Milk River Irrigation Project was completed on May 31st, 1950, and during the year commitments totalling approximately \$2,225,000 were made by the Province as its share of construction costs. Further provincial expenditures amounting to approximately \$3,000,000 will be made on this project during 1951.

Negotiations have been carried on for several years with the Government of Canada and the Canada Land and Irrigation Company with respect to the extension of the Bow River Irrigation Development Project serving the Redcliff-Ronolane and Medicine Hat areas of the Province. The assets of the Company recently were purchased by the Federal Government and a joint agreement between the Government of Canada and this Province to facilitate the orderly development of this area is under consideration at the present time.

Of particular interest to Northern Alberta is the Heart River Development Project the main purpose of which is to provide an adequate supply of water for the area adjacent to the Town of McLennan and also to assist in controlling spring floods in the area.

Of province-wide importance is the Spray Lakes Power Development Project undertaken by the Calgary Power Company to increase the Province's available supply of electrical energy. The project consists of extensive water storage facilities together with three power stations, two of which are practically completed and the third is under construction. When completed, these stations will increase the capacity of the Company's generating facilities by 88,500 H.P. and also will furnish the necessary water supply for an enlargement of the Kananaskis Power Station by an additional 12,000 H.P.

CO-OPERATIVE ACTIVITIES

As at December 31st, 1950, 395 Co-operative Associations were in operation in the Province, embracing such activities as live stock and poultry marketing,

feeder associations, dairying, frozen food lockers, seed cleaning, home building and rural electrification.

The number of Rural Electrification Co-operative Associations increased by 36 during the year bringing the total to 125. These associations to date have been responsible for the construction of rural electrification projects, involving a total expenditure of \$5,680,023, of which amount \$2,106,733 was borrowed by the associations and guaranteed by the Province under The Co-operative Marketing Associations Guarantee Act. This assistance will be continued and extended during the ensuing year.

To date approximately 11,000 farms have been serviced with electric power and plans for further extensive expansion have been projected to 1953.

As at December 31st last, 198 Credit Unions were operating in the Province with an aggregate membership of 27,951 and assets totalling \$4,550,789. Since the inception of Credit Unions in Alberta in 1938, loans have been made to members totalling approximately \$18,000,000.

ALBERTA HAIL INSURANCE BOARD

The Alberta Hail Insurance Board has completed another successful year of operations. During the year, 13,185 farmers insured 2,424,147 acres of crop at a premium cost of \$1,380,927 or an average cost of 57 cents per acre. During the same period, \$784,586 was paid out on claims covering 243,000 acres of damaged crop.

The dividend plan, inaugurated in 1948, was continued in 1950 with a return of 10% to the policy-holders who did not file claims and who paid premiums by December 31st. An additional 5% was returned to policy-holders who paid their premiums in full with their applications.

Since the inception of the Hail Insurance Board 13 years ago, over 157,000 policies have been written covering more than 26,000,000 acres of grain crops.

The total reserves of the Board as at December 31st, 1950, amounted to \$2,167,000 of which over \$2,000,000 is invested in Dominion of Canada and Provincial bonds.

TREASURY BRANCHES

During the fiscal year ended March 31st, 1950, the volume of business conducted through the Provincial Treasury Branches continued to increase. Deposits by the public at the end of the fiscal year totalled \$30,816,282, representing 54,963 depositors. Total loans as at the same date amounted to \$10,576,286, comprising 4,141 borrowing accounts including loans of \$1,265,780 to School Divisions and Municipalities and \$2,154,300 to Co-operative Associations and other guaranteed accounts.

Cash holdings as at March 31st, 1950, amounted to \$5,126,785 and investments from the Depositors Reserve Trust Fund includes \$17,550,000 in Dominion of Canada bonds.

Revenues for the past fiscal year exceeded expenditures by \$35,405 from which an amount of \$33,500 was transferred to the Reserve Fund for Bad and Doubtful Debts, bringing the total in the fund to \$128,500.

During the year, bad and doubtful debts totalling \$18,486 have been

charged against the fund, leaving a balance of \$110,014 as at December 31st, 1950.

Forty-five branches, 13 sub-branches and 109 agencies were in operation at the end of the year.

CIVILIAN DEFENCE

For the first time it has become necessary to provide in the estimates an appropriation for civilian defence. Future major expenditures which may become necessary for this purpose will be the joint responsibility of governments at all levels.

Negotiations are under way between the Provinces and the Government of Canada for the purpose of arriving at a practical and equitable arrangement with respect to the allocation of both responsibility and costs.

The immediate step for which provision must be made by the Province is the establishment and training of a simple, effective, well co-ordinated and intelligently directed volunteer civilian defence organization that will give our people some measure of assurance in the light of the present international situation and a real measure of protection in the event of any emergency.

Substantial progress already has been made to this end and the Government deeply appreciates the wholehearted co-operation and assistance accorded by Municipalities, provincial and local organizations, business firms, public press and radio stations, and by private citizens generally.

PUBLIC ACCOUNTS 1949-50

The Public Accounts for the fiscal year ended March 31st, 1950, have been tabled and released to the press. The public, therefore, already is familiar with the information contained therein and it is unnecessary for me to elaborate on the statements at this time. It should afford all citizens of the Province much satisfaction to know that revenue accruing to the Public Treasury from the development of our natural resources so far exceeded even our most optimistic estimates that the over-all surplus on Income and Capital Accounts at the end of the last fiscal year amounted to \$29,838,135 after providing \$645,400 for debt retirement, in addition to the regular annual debt service charges.

CURRENT FISCAL YEAR 1950-51

Copies of the Interim Financial Statement for the first nine months of the current fiscal year have been made available to the Honorable Members of the Assembly and contain the most recent figures summarizing the financial operations of the Province.

The Interim Statement reveals an overall cash surplus of \$18,011,056 for the nine months period ending December 31st, 1950, as compared with \$14,429,061 for the similar period in 1949.

It is expected that this surplus will be increased to approximately \$20,000,000 by the end of the present fiscal year.

PUBLIC DEBT

The net funded and unfunded debt of the Province as at March 31st, 1950,

amounted to \$130,600,687. Of this amount, \$121,197,894 represented the funded and guaranteed debenture debt, while the unfunded debt comprised mainly of liabilities under The Public Service Pension Act amounted to \$9,402,793.

During the first nine months of the current fiscal year from April 1st to December 31st, 1950, the funded and guaranteed debenture debt has been reduced by \$20,575,356. During the same period the unfunded debt was reduced by \$1,164,531, making a total debt reduction of \$21,739,887, leaving the total remaining provincial public debt as at December 31st, 1950, \$108,860,800.

The decrease of \$20,575,356 in the funded and guaranteed debenture debt was brought about by the Province's calling and retiring the following:

Canadian Pay Debentures	\$14,486,100
United States Pay Debentures	1,182,000
Sterling Stock	4,091,900
<hr/>	
Total debentures called for redemption	\$19,760,000
Normal redemption of maturing debentures and Treasury Bills	815,356
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Total Debt Retired	\$20,575,356

By retiring the \$19,760,000 of callable debentures referred to above, and by refinancing on more favorable terms the remainder of our United States pay callable debentures amounting to \$59,885,000, the taxpayers of this Province have been saved in interest charges alone over \$24,000,000.

The average interest rate on our remaining debenture debt has been reduced to 2.82% and the retirement of principal has been arranged on a serialized basis providing for the complete liquidation of our entire debenture debt by 1973. To carry out this debt retirement program, the average annual payments, inclusive of interest, will be less than \$6,000,000, which, on the basis of estimated revenues for the ensuing year, represents only 6½% of our annual revenue on Income Account.

It should be further noted that \$60,700,000 of our outstanding debentures include a call feature effective as of March 1st, 1954, or at any subsequent interest date prior to maturity. This feature will enable the Province to take advantage of any future opportunities to refund its remaining debt at even lower rates of interest or to accelerate future debt retirement if it is considered advisable to do so in the public interest.

For the information of all Honorable Members I am appending the following comparative statement which shows the position of the public debt of the Province as at the end of each fiscal year from March 31st, 1936, to March 31st, 1950, and also the position as at December 31st, 1950.

	Net Funded Debt	Net Guaranteed Debenture Debt	Unfunded Debt	Total Debt
March 31, 1936	\$142,941,031	\$5,672,358	\$18,413,755	\$167,027,144
March 31, 1937	143,487,203	5,165,775	17,051,783	165,704,761
March 31, 1938	143,573,130	5,121,144	15,768,842	164,463,116
March 31, 1939	143,412,253	5,054,404	15,386,741	163,853,398
March 31, 1940	142,926,186	5,002,516	8,573,071	156,501,773
March 31, 1941	142,189,968	4,803,388	8,247,815	155,241,171
March 31, 1942	141,455,384	4,595,336	7,892,859	153,943,579
March 31, 1943	140,534,443	4,386,217	7,696,473	152,611,133
March 31, 1944	139,589,060	4,158,713	7,531,414	151,279,187
March 31, 1945	138,821,431	3,941,644	7,396,744	150,159,819
March 31, 1946	140,805,449	282,000	5,414,315	146,501,764
March 31, 1947	139,198,970	101,500	5,767,853	145,068,323
March 31, 1948	121,447,657	56,500	6,527,020	128,031,177
March 31, 1949	120,826,203	38,000	9,034,077	129,898,280
March 31, 1950	121,165,894	32,000	9,402,793	130,600,687
December 31, 1950	100,595,538	27,000	8,238,262	108,860,800

The above figures indicate a net reduction in the total provincial debt of \$58,166,344 from March 31st, 1936, to December 31st, 1950.

ESTIMATES

Fiscal Year Ending March 31, 1952

May I now direct the attention of the Assembly to the estimated Revenues and Expenditures for the Fiscal year ending March 31st, 1952. Copies of the detailed estimates have been tabled, which include estimated Expenditures on both Income and Capital Accounts and provision for ordinary debt retirement in order to arrive at our budgetary requirements.

A summary of the total estimated over-all requirements on both Income and Capital accounts for the coming year is as follows:

Estimated Revenue—Income Account	\$ 89,091,990
Estimated Ordinary Expenditure—Income Account	58,992,837
Estimated Surplus—Income Account	\$ 30,099,153
Debt Retirement	2,524,000
Estimated Surplus—Income Account	\$ 27,575,153
Estimated Receipts—Capital Account	\$ 5,131,100
Estimated Payments—Capital Account	32,452,773
Estimated Net Capital Payments	\$ 27,321,673
Less—Estimated Surplus Income Account	27,575,153
Estimated Surplus on Income and Capital Accounts	\$ 253,480

The estimated revenue on Income Account shown by Departments and compared with the Estimates for the Current year are as follows:

REVENUE—INCOME ACCOUNT

Department	1951-52	1950-51	Increase	Decrease
Legislation	\$ 11,065	\$ 5,065	\$ 6,000	
Agriculture	337,300	297,000	40,300	
Agriculture (Water Resources)	22,000	19,000	3,000	
Attorney General	1,904,050	1,624,450	279,600	
Education	180,000	184,000		\$ 4,000
Municipal Affairs	43,000	42,170	830	
Provincial Secretary	14,518,000	13,244,000	1,274,000	
Public Health	910,450	859,200	51,250	
Public Works	3,811,225	3,352,145	459,080	
Treasury (Dominion Government—Subsidies)	2,063,000	2,063,000		
Treasury (Dominion-Provincial Tax Agreement, 1947)	20,100,000	16,087,000	4,013,000	
Treasury	15,205,000	13,039,000	2,166,000	
Industries and Labour	250,000	250,675		675
Public Welfare	107,900	56,000	51,900	
Economic Affairs	1,000	1,000		
Lands and Forests	3,721,000	2,630,000	1,091,000	
Mines and Minerals	25,907,000	21,056,500	4,850,500	
	\$89,091,990	\$74,810,205	\$14,286,460	\$ 4,675

A Net Increase of \$14,281,785.

REVENUE

Before dealing with the major increases in revenues anticipated for the ensuing year, may I outline briefly certain budgetary changes which the Government proposes for the purpose of establishing a more equitable and simplified basis of taxation and affording some measure of actual tax relief to citizens of the Province and in particular our primary producers.

The present complicated schedule of passenger car license fees ranging from \$10.00 to \$35.00, depending on wheel base, is being replaced by a new schedule providing for only three categories of license fees for cars other than those in operation prior to 1941.

The new schedule is as follows:

Cars with wheel base not exceeding 110 inches	\$10.00
Cars with wheel base over 110 inches but not exceeding 120 inches	15.00
Cars with wheel base in excess of 120 inches	20.00

This represents a reduction in car license fees ranging up to \$15.00. In the case of approximately 56% of the cars coming under this schedule the reduction will amount to \$10.00 or more, while for another 31% the reduction will amount to \$5.00.

The schedule for old cars also has been simplified and the fees reduced. Under the new schedule, the license fee for cars in operation prior to 1941 with a wheel base under 100 inches will be \$8.00 and for those with a wheel base in excess of 100 inches \$10.00. The former schedule for these cars ranged from \$8.00 to \$15.00.

A reduction in license fee after a car is 10 years old will be discontinued for the future and rebates for licenses turned in prior to January 10th of the license year also has been eliminated. The 40% and 75% reduction for licenses purchased after October 1st and January 1st respectively will be continued as under the present schedule. The net reduction in license fees to operators of passenger cars for the ensuing year on the basis of the new schedule will be approximately \$700,000.

In the matter of business and other trade licenses, it is proposed as far as practicable to abolish annual licenses and substitute a permanent business or trade registration. This will eliminate the necessity for businesses to apply annually for renewal of their licenses and will reduce the work and cost of administration. The annual loss of revenue by 1952 as a result of this change is estimated at \$130,000.

Recording fees previously charged by the Department of Education for registration of grades 10 and 11 students' marks also have been eliminated. This represents a further revenue loss of approximately \$20,000 annually.

It is proposed to eliminate the 1c per gallon tax now levied on fuel oil products used on farms and for industrial purposes. This will represent a direct saving to farmers and industrialists, and a corresponding reduction in provincial revenue amounting to approximately \$1,168,000 annually.

The total reduction in provincial revenues resulting from these adjustments amounts to approximately \$2,018,000. To partially offset this loss, it is proposed to increase the regular gasoline tax by 1c from 9c to 10c per gallon. It is estimated that this will recoup the loss in provincial revenue by \$1,160,000, leaving a net reduction in taxation and revenue of approximately \$850,000.

With respect to gasoline tax, the new rate will bring the Alberta tax in line with that now in effect in the adjoining provinces and the rate still will be from 1 to 3 cents per gallon lower than that prevailing in Eastern Canada. Furthermore, it is expected that the 1c per gallon increase will be offset in whole or in part by a further reduction in the price of fuel oil products in Alberta during the ensuing year.

It might be appropriate to mention at this point that it is the Government's intention to retain for provincial purposes only 6c a gallon of the gasoline tax and to divert 4c per gallon by statute to a special fund to provide additional financial assistance to Municipalities and Improvement Districts, under

the provisions of The Municipal Assistance Act which will be introduced during the present session. I will outline briefly the formula proposed for this purpose when dealing with the question of Municipal financial assistance.

Turning now to the main increases in revenue on Income Account anticipated for the ensuing year, the largest increase is in the Department of Mines and Minerals where revenue from the development of oil resources is estimated at \$4,850,500 in excess of the amount forecast in the estimates for the current year.

Revenue from oil royalties is expected to amount to \$5,000,000, an increase of \$2,200,000, while revenue from oil lease rentals, fees, etc., will total \$6,000,000, an increase of \$2,000,000. Royalties, rentals, fees, etc., on School Lands are expected to yield \$1,200,000, an increase of \$570,000 over the previous year. Revenue from the sale of Crown Reserves is estimated at \$12,000,000, which is the same amount as for the present fiscal year.

Actual revenues received during the current fiscal year from the sale of Crown reserve oil leases exceeded the estimated revenues from that source by \$13,955,370. This was due to the fact that the sale of such leases was accelerated during the year when it became evident that by so doing the Government could assure the greatest possible present and future returns to the people of the Province.

The major Crown reserves in proven areas have now been disposed of and consequently it is not expected that revenues from this source will exceed the amount estimated for the ensuing year unless further new major oil fields are discovered.

The estimated revenue of the Department of Lands and Forests is \$3,721,000 as compared with \$2,630,000 for the current year. This increase is mainly accounted for by an additional \$1,000,000 anticipated from timber rentals, fees, etc.

An increase of \$4,013,000 is expected under the Dominion-Provincial Tax Transfer Agreement. This is due to the substantial increase in the gross national product factor employed under the Agreement to determine the annual amount of the Dominion's per capita grant and also by a substantial increase in the population of Alberta during the past year.

Treasury Department estimates placed at \$15,205,000 show an increase of \$2,166,000 over the previous year, accounted for by increased earnings of \$800,000 on the investment of accumulated surplus funds and by an increase of \$1,200,000 in the revenue of the Alberta Liquor Control Board. A new item of revenue amounting to \$195,000 represents interest to be received on advances made under The Self Liquidating Projects Act.

The Provincial Secretary's Department shows estimated revenues amounting to \$14,518,000, which is an increase of \$1,274,000, mostly attributable to greater returns from the fuel oil tax due to increased consumption of fuel oil products because of the greater number of automobiles and trucks operating in the Province.

For the same reason, revenues from truck registrations under the Highway Traffic Board show an increase of \$400,000 while the total estimated revenue for the Department of Public Works is \$3,811,225, an increase of \$459,080 over the previous year.

Fees under The Land Titles Act are expected to yield an additional \$225,000 and in the Department of Agriculture fees from Agriculture Schools show an estimated increase of \$30,000.

Grants from the Dominion Government for health services and hospital construction are estimated at \$1,726,625, an increase of \$136,625 over the estimated amount for the current year.

For the information of the Honorable Members, I have prepared the following table indicating the major sources of provincial revenue and fluctuations in the percentage of total revenue obtained from each during recent years. These figures indicate the changing economic position of the Province due to the progressive development of our natural resources and increasing population.

	Actual 1948-1949	Actual 1949-1950	Estimates 1950-1951	Estimates 1951-1952
Dominion-Provincial Tax Agreement and Subsidies	24.93%	18.94%	24.25%	24.88%
Car and truck licenses and Gasoline Tax, etc.	20.75	17.41	20.50	19.06
Liquor Board Profits	17.17	12.06	13.75	12.90
Natural Resources	26.98	41.45	31.75	33.25
All other sources	10.17	9.14	9.75	9.91
Total	100.00%	100.00%	100.00%	100.00%

You will note that the above table indicates the actual percentages for the years 1948-49 and for 1949-50, while the figures for the current year 1950-51 and the coming year 1951-52 are based on revenues as estimated.

EXPENDITURE—Income Account

Estimated total expenditures on Income Account amount to \$61,516,837 as compared with \$51,038,906 for the current year, an increase of \$10,477,931.

The following table indicates the estimated expenditure of each Department of Government for 1951-52 as compared with the expenditure for the current fiscal year:

Department	1951-52	1950-51	Increase	Decrease	Percentage of total Expenditure 1951-52
Public Debt Service					
Charges	\$ 2,642,100	\$ 5,577,000		\$ 2,934,900	4.29%
Executive Council	776,747	688,775	\$ 87,972		1.26
Legislation	419,110	88,175	30,935		.68
Agriculture	1,808,185	1,380,946	427,239		2.94
Agriculture (Water Resources)	104,170	89,270	14,900		.17
Attorney General	2,032,775	1,748,007	284,768		3.30
Education	12,672,000	11,220,770	1,451,230		20.60
Municipal Affairs	416,470	365,894	50,576		.68
Provincial Secretary	431,585	356,345	75,240		.70
Public Health	10,209,135	8,586,969	1,622,166		16.60
Public Works	10,001,028	8,970,899	1,030,129		16.26
Railways and Telephones (Railways)	25,695	18,786	6,909		.04
Treasury	6,356,329	1,577,000	4,779,329		10.33
Industries and Labour	605,020	520,055	84,965		.98
Public Welfare	7,199,620	6,385,304	814,316		11.70
Canadian Vocational Training	342,558	257,595	84,963		.56
Economic Affairs	417,925	414,200	3,725		.68
Lands and Forests	1,887,240	1,632,260	254,980		3.07
Mines and Minerals	645,145	557,656	87,489		1.05
Total Ordinary Expenditure	\$58,992,837	\$50,735,906	\$11,191,831	\$ 2,934,900	95.89%
Debt Retirement	2,524,000	302,000	2,221,000		4.11
Total Expenditure	\$61,516,837	\$51,038,906	\$13,412,831	\$ 2,934,900	100.00%

A net increase of \$10,477,931.

As already indicated, the estimated increase in expenditures on Income Account amounts to \$10,477,931.

The largest appropriation again is allotted to the Department of Education and totals \$12,672,000, an increase of \$1,451,230 over the amount provided in the estimates for the current fiscal year.

The main item is an appropriation of \$8,870,000 for grants to schools, which is an increase of \$1,020,000 over the amount provided for this purpose in the 1950-51 estimates. An additional sum of \$510,000 is provided as a grant to the Teachers' Retirement Fund. The grant to the University of Alberta is increased by \$300,000 to a total of \$1,700,000, while the cost of operation of the Institute of Technology at Calgary is increased by \$60,223, to a total of \$316,150.

Estimated expenditures for the Department of Public Health total \$10,209,135 after deducting reimbursements from the Government of Canada amounting to \$1,726,625 and show a net increase of \$1,622,166.

With the opening of the Aberhart Memorial Sanatorium at Edmonton together with increased operating expenses at the present Sanatorium in Calgary, the cost of treatment provided for tuberculosis patients will increase considerably. The total appropriation for this service is \$1,352,500, an upward revision of \$389,915 over the current year's estimate of \$962,585.

The sum of \$2,964,250 is provided for the operation of Mental Institutions and is \$456,236 in excess of the amount provided for the current fiscal year. Cancer treatment and prevention will require an additional \$100,000 bringing the total estimated cost of this service to \$368,700, of which 50% is reimbursed by the Government of Canada.

Nine hundred and two thousand, five hundred dollars has been provided for special hospitalization grants to local authorities who make available to their residents hospitalization at a rate not in excess of \$1.00 per day for public ward services. This amount is an increase of \$200,000 over the amount provided in the previous year's estimates.

Per diem grants to hospitals will require \$1,052,200 as compared to \$976,500, an increase of \$75,700. The sum of \$950,500 is provided for maternity hospitalization which is an increase of \$150,000 over the current year's estimates.

Hospitalization for pensioners is increased by \$170,200, bringing the total provided for this service to \$1,182,000. Health services, coming under the Federal Government's Health Services Program, require an appropriation of \$1,000,000 which amount will be recovered in full from the Government of Canada. A further appropriation of \$1,000,000 is provided for hospital construction grants of which the Province will be reimbursed 50% by the Government of Canada.

Estimated net expenditures by the Department of Public Welfare total \$7,199,620, which represents an increase of \$814,316, mainly due to the increased number of old age and blind pensioners.

The total appropriation for old age pensions is \$11,341,000, for pensions to the blind, \$247,000, for the Rosehaven Home for the aged at Camrose, \$192,500, for mother's allowances, \$850,000, and for child welfare, \$469,640. Total reimbursement from the Government of Canada for these services will amount to \$7,428,600.

The Department of Public Works has been allotted \$10,001,028, which is an

increase of \$1,030,129 over the 1950-51 estimates. Expenditures for the maintenance of main highways are estimated at \$2,100,000, an increase of \$350,000 and the maintenance of bridges will require \$950,000, which is an increase of \$100,000 over the amount provided in the estimates for the current fiscal year.

Estimated expenditures by the Department of Agriculture total \$1,808,185, an increase of \$427,239, which is due to the opening of the new School of Agriculture at Fairview and to the Government's policy of progressively expanding those agricultural services considered necessary for the stabilization and further improvement of our basic industry.

Under the Executive Council, a new appropriation of \$50,000 has been provided to meet expenses involved in setting up an effective province-wide volunteer civilian defence organization to which I already have made reference.

It will be noted in the estimates for Public Debt that while an additional \$2,220,000 is provided for debt retirement the total amount appropriated for public debt service charges is \$5,166,100, a reduction of \$714,000 from the previous year's figure of \$5,880,000. This further reflects the substantial benefits already accruing to the Province as a result of the 1945 debt reorganization program and the further refinancing and redemption of provincial debentures in 1950.

The total estimated expenditures of the Treasury Department are increased from \$1,577,000 to \$6,356,329, an increase of \$4,779,329. This substantial increase is accounted for by the inclusion of a new appropriation of \$4,665,029 in the Treasury Department estimates for the purpose of providing a greater measure of provincial financial assistance to Municipalities, Improvement Districts and the Special Areas, under the provisions of The Municipal Assistance Act. Before dealing with the Government's Municipal Assistance Program, may I direct the attention of the Honourable Members to the Capital section of the estimates.

CAPITAL

Receipts are estimated at a total of \$5,131,100 which is an increase of \$2,707,400 over the amount estimated for the current year. The details are as follows:

RECEIPTS—CAPITAL ACCOUNT

Department	1951-52	1950-51	Increase	Decrease
Executive Council	\$ 1,361,400	\$ 1,304,600	\$ 56,800	
Agriculture	132,000	100,000	32,000	
Agriculture (Water Resources)	270,000	293,800		\$ 23,800
Municipal Affairs	6,000	24,000		18,000
Public Works	2,575,200	164,700	2,410,500	
Treasury	650,000	411,000	239,000	
Lands and Forests	136,500	125,600	10,900	
	\$ 5,131,100	\$ 2,423,700	\$ 2,749,200	\$ 41,800

A net increase of \$2,707,400.

The increase in Capital Receipts in the Department of Public Works is accounted for by an estimated \$2,000,000 to be recovered from the Government of Canada under a joint agreement covering expenses incurred in the construction of the Trans-Canada Highway. An increase of \$239,000 in the Treasury Depart-

ment is the result of estimated repayments on loans made under The Self Liquidating Projects Act.

PAYMENTS—CAPITAL ACCOUNT

Payments on Capital Account are estimated at \$32,452,773, a net increase of \$8,794,213 over the total provided for the present year. The details by Departments are as follows:

Department	1951-52	1950-51	Increase	Decrease
Executive Council	\$ 540,000	\$ 500,000	\$ 40,000	
Agriculture	150,000	130,000	20,000	
Agriculture (Agricultural Relief)	6,000	6,000		
Agriculture (Water Resources)	2,456,610	607,360	2,849,250	
Public Works	27,300,623	21,481,900	5,818,723	
Treasury	28,000	29,000		\$ 1,000
Lands and Forests	956,540	879,300	77,240	
Mines and Minerals	15,000	25,000		10,000
	\$32,452,773	\$23,658,560	\$ 8,805,213	\$ 11,000

A net increase of \$8,794,213.

In last year's Budget Address I pointed out that the estimated capital expenditures amounted to \$23,658,560 and represented an all-time record. Honorable Members will note that the proposed expenditures on Capital Account for 1951-52 are estimated at \$32,452,773, which is an increase of \$8,794,213 more than the amount provided in the estimates for the present fiscal year. This increase reflects the unprecedented expansion and development currently taking place in our provincial economy. It also indicates the application of the Government's policy of diverting revenue obtained from oil to capital expenditures in order that our depreciating resources may be progressively replaced by new capital assets for the use and benefit of present and future citizens of the Province.

The sum of \$13,538,300 is provided for the construction and improvement of main highways throughout the Province during the ensuing year. This is an increase of \$1,808,300 over the amount provided in the estimates for the previous year. An additional appropriation of \$4,000,000 is provided for construction on the Trans-Canada Highway. Of this amount, the Province will be reimbursed \$2,000,000 by the Government of Canada as indicated in the forecast of Capital Receipts.

A further sum of \$1,500,000 is provided for the construction of bridges on main highways, an increase of \$500,000 over the amount appropriated last year. These three appropriations provide a total of \$19,038,300 for main highway and bridge construction during the ensuing year.

For the erection of necessary public buildings an amount of \$6,290,250 is provided and is allocated as follows:

To complete the Aberhart Memorial Sanatorium and Nurses' Home—\$640,000,

To complete the Administration Building at the Calgary Sanatorium—\$150,000,

For the construction of two dormitories at the Provincial Training School at Red Deer—\$225,000,

And for an additional dormitory at the Ponoka Mental Hospital—\$150,000.

The sum of \$400,000 is provided for the construction of an Administration Building and \$200,000 to complete the new tuberculosis wing at the Oliver Institute.

Provision has been made for \$500,000 towards the construction of a new Biological Science Building and a new Engineering Building at the University of Alberta.

An appropriation of \$1,100,000 is included for work on the new Administration Building now under construction in Edmonton and for necessary Provincial Buildings at Grande Prairie and Drumheller, the sum of \$250,000 has been provided.

An amount of \$105,000 is included for necessary repair and storage buildings at various centres throughout the Province.

The new Land Titles Building at Edmonton will require \$400,000 and Court Houses at Edmonton and Lethbridge already under construction, account for an additional \$400,000.

The sum of \$130,000 is provided for the construction of a new cell block for female inmates at the Provincial Jail at Fort Saskatchewan and \$60,000 for an extension to the Power House.

To complete the construction of the Provincial Institution at Bowden a further sum of \$600,000 will be required during the ensuing year.

In the Water Resources Branch of the Department of Agriculture, the sum of \$3,000,000 is provided towards further construction work on the St. Mary's Milk River Irrigation Development Project on which good progress now is being made.

I have made reference to the Government's policy of using revenue derived from oil royalties and the sale of Crown reserves exclusively for capital construction and the retirement of debt incurred in the past for capital construction.

In this regard the following summary will be of interest to all Honorable Members and to the public generally:

REVENUE FROM OIL DEVELOPMENT

1948-49	\$10,340,000	
1949-50	26,550,000	
1950-51	29,502,000	Actual to Dec. 31, 1950
1951-52	17,000,000	Estimated
	<u>\$83,392,000</u>	

EXPENDITURE ON CAPITAL CONSTRUCTION

1948-49	\$16,790,000	
1949-50	16,757,000	
1950-51	17,800,000	Actual to Dec. 31, 1950
1951-52	27,800,000	Estimated
	<u>\$78,647,000</u>	
Debt Retirement for same period	23,760,000	
	<u>\$102,407,000</u>	

These figures indicate that while revenue from oil development has been allocated entirely to capital construction and debt retirement, the other general revenues of the Province also have contributed a substantial amount for these purposes.

In addition to the capital expenditures provided for in the estimates, provision is made by statute for a loan of \$5,000,000 to the Alberta Government Telephones for capital construction made necessary by the rapid expansion and development currently taking place in the Province together with a steady increase in the population to be served.

MUNICIPAL ASSISTANCE

May I now refer in greater detail to the Government's program of municipal assistance and particularly to several important new features which the Legislature will be asked to approve during the present session.

The Government's program is predicated on three major premises to which I believe every Honorable Member will subscribe.

1. It is essential to the good and welfare of our people and to the progress of our Province generally that municipal and other local governments be assured sufficient financial resources to properly discharge their responsibilities without resorting to oppressive taxation and/or excessive borrowing.

2. The costs of local governments have increased rapidly during recent years and in many cases have reached a level which cannot be maintained within the framework of their presently available local sources of revenue without inviting serious consequences.

3. Increased provincial financial assistance to local governments should not be provided merely to make possible still greater local expenditures but should be used, at least in part, to afford an actual easement in the heavy burden of taxation presently borne by ratepayers in Municipalities, Improvement Districts and the Special Areas.

The Government's municipal assistance program recognizes these basic factors and has been designed to meet, as far as possible, the present obvious requirements.

Under the new Municipal Assistance Act, the Legislature will be asked to establish a permanent fund to be used exclusively for increased financial assistance to Cities, Towns, Villages, Municipal Districts, Improvement Districts and the Special Areas.

The Act will provide that the Provincial Treasurer shall pay into the fund annually a proportion of the fuel oil tax imposed under The Fuel Oil Tax Act equivalent to 4¢ per gallon for each gallon of fuel on which the tax was collected during the immediate preceding calendar year. For the ensuing year, this proportion of the fuel oil tax amounts to \$4,665,029 and this figure will increase annually in proportion to the over-all increase in the consumption of taxable fuel oil products.

From the fund thus established, the Government will pay a tax reduction subsidy not exceeding 3 mills annually to every City, Town, Village, Municipal District, Improvement District or Special Area, that in any year reduces or retains its aggregate millrate below the highest millrate it levied on a comparable basis of assessment in any year after 1949.

The amount of the subsidy in each case will be 1 mill for each mill of tax reduction on the basis of the actual assessment for taxation purposes as at December 31st of the preceding year, subject only to the following limitations:

1. Assessment of lands will be recognized up to 100% on the basis of 1942 assessment values.

2. Assessment of improvements in the case of Cities will be recognized up to 60% on the basis of 1942 assessment values.

3. Assessment of improvements in the case of all other units will be recognized up to 100% on the basis of 1942 assessment values.

After deducting the amount required for tax reduction subsidies, the balance remaining in the Municipal Assistance Fund in each successive year will be distributed in its entirety in the form of unconditional grants to Cities, Towns, Villages, Municipal Districts, Improvement Districts, etc., on the basis of the relationship which the total assessment of each unit bears to the aggregate assessment of all such units in the Province.

To assure the maximum degree of equity in determining the amount of the annual unconditional grant to each unit, the total assessment in each case will be established on the basis of the land and improvements actually on the tax roll as at December 31st of the preceding year.

For the purpose of this program only, in the case of Cities, land will be computed at 100% and improvements at 60% on the basis of 1942 assessment values. In the case of Towns, Municipal Districts, Improvement Districts and the Special Areas, land and improvements will be computed at 100% and in the case of Villages at 110% on the basis of 1942 assessment values.

If all local governments in the Province take full advantage of the tax reduction subsidy during the ensuing year, the amount required for this purpose will be approximately \$2,175,000, all of which will represent a direct reduction in the taxation to local ratepayers. The balance, amounting to approximately \$2,490,000, will be distributed as unconditional grants. This is the equivalent of approximately 3½ mills on the basis of the aggregate assessment used for taxation purposes by local governments in 1950.

The Cities of the Province now are in the process of adjusting their assessment rolls to conform with the provisions of the new City Act already before this Assembly. These uniform adjustments which already have been made in all other Municipalities, will not become effective for taxation purposes in the Cities until 1952. Accordingly, it is proposed for the year 1951 only to exclude the Cities from the tax reduction subsidies and to make a corresponding upward adjustment in their unconditional grants.

Further and complete details will be available to the Honorable Members when the legislation required to implement this program is placed before the Legislature for consideration.

Other major changes further increasing the amount of direct financial aid to Municipalities and other local authorities are as follows:

School grants have been increased by \$1,020,000.

Grants to Hospitals and for health services have been increased by \$334,000.

Grants for Municipal and Improvement District roads and for the construction of bridges have been increased by \$360,000.

As a further benefit to Municipalities and Local Improvement Districts, the Government has reduced from 40% to 25% the amount which the local authorities are required to provide for road construction purposes in order to qualify for the provincial road construction grants.

For the information of the Honorable Members and the public generally, the following is a brief summary of the amount of direct financial assistance to Municipalities and other local authorities provided for in the estimates for the ensuing year:

1. Education.....	School Grants	\$ 8,870,000	
	Grants to Teachers' Retirement Fund	510,000	
	Capital Construction Grants under The School Borrowings Assistance Act	2,000,000	
			\$11,380,000
2. Public Health.....	Per diem grants to Hospitals ..	\$ 1,052,000	
	Special Hospitalization Grants	902,000	
	Hospital Construction Grants	500,000	
	Grants for health services	58,000	
			2,512,000
3. Public Works.....	Grants for roads in Municipal and Improvement Districts	\$ 3,830,000	
	Grants for Bridges	600,000	
			4,430,000
4. Treasury Dept.....	Grants to Municipalities in lieu of taxation on certain Government buildings.....	\$ 30,000	
	Grants under The Municipal Assistance Act....	4,665,000	
			4,695,000
5. Lands and Forests Dept.....	Increased payment to Municipalities from grazing leases collected		75,000
	Total direct financial assistance.....		\$23,092,000

In addition to this direct financial assistance the following summary indicates the further substantial amounts provided in the estimates for the ensuing year to defray the cost of Public Welfare services previously the responsibility of local taxpayers but now assumed in whole or in part by the Provincial Government.

1. 60% of the cost of Indigent Relief and Child Welfare Services	\$ 625,000
2. 10% of the cost of the basic Old Age and Blind Pensions, formerly paid by Municipal authorities	750,000
3. A reduction of the Municipalities' share of the cost of Mothers' Allowances from 25% to 20%	42,000
4. The cost of hospitalization for Old Age and Blind Pensioners formerly paid by Municipal authorities	1,182,000
	<u>\$2,599,000</u>

These combined totals amount to \$25,691,000, which is the equivalent of over 38 mills on the aggregate assessment used by local governments for taxation purposes in 1950.

To complete this comprehensive program Honorable Members will be asked to approve four additional legislative enactments, each designed to provide further substantial aid to School Boards and Municipal Governments.

1. You will be asked to appropriate an additional \$3,000,000 under The School Borrowings Assistance Act and to amend the legislation to increase the amount of the Capital Construction Grants payable under the Act from 12½% to 20% of the total approved borrowings of a School District or Division. A further 10% of such approved borrowings will be available from the fund as an interest free loan and the Province will continue to guarantee interest payments on the remaining 70% to assist School Boards in obtaining the best possible market price for their debentures.

2. You will be asked to appropriate a further sum of \$7,000,000 under The Self Liquidating Projects Act which funds will be made available to Municipalities for long term loans at 2% interest for the purpose of constructing self liquidating projects. Loans under the Act as at December 31st, 1950, totalled

\$4,938,853, and the increased appropriation proposed for the ensuing year will permit a further extension of this effective and practical form of assistance for municipal development purposes.

3. Subject to the necessary legislation being passed by the Parliament of Canada, the Honorable Members of this Assembly will be asked to approve complementary legislation amending the Natural Resources Transfer Agreement to permit monies in the School Lands Trust Fund to be invested in debentures issued by School Districts, School Divisions and Municipalities in addition to Dominion and Provincial bonds. At the present time, the investment of these funds is limited to Dominion securities and the joint legislation, if approved, will permit any or all of the fund of over \$12,000,000 to be invested in local debentures to assist in school and municipal financing.

4. You will be asked to approve legislation under which citizens of the Province will be enabled to purchase Provincial Government annuities on advantageous terms. Subject to the approval of this Assembly when the legislation is introduced, payments into the annuity fund within certain reasonable limits will be at the option of the purchaser and will bear interest at $3\frac{1}{2}\%$ compounded annually. The monies available for investment under The Provincial Annuities Act will be made available for approved municipal borrowings at rates of interest below those currently obtainable on the open market.

To summarize briefly, this program has a three-fold purpose:

1. To give a reasonable measure of encouragement and assistance to those who endeavor to provide for their own requirements on attaining the age of retirement.

2. To keep within the Province for the exclusive use and development of Alberta communities, substantial sums of money presently paid out of the Province for the purchase of numerous forms of retirement annuities presently available only from Insurance Companies or the Government of Canada.

3. To provide a substantial investment fund to be used for municipal financing on terms which will lower interest rates on municipal borrowings.

The Government is hopeful that this program ultimately will make it unnecessary for Alberta Municipalities to resort to public borrowing on the open market to obtain the capital funds necessary to their continued progress and development.

CONCLUSION

In conclusion, may I emphasize that the Government is fully aware of the importance under existing circumstances of avoiding unwarranted capital expenditures which might interfere with essential defence projects or contribute to the inflationary rise in consumer prices current at the present time.

While the program I have outlined for the ensuing year is comprehensive and represents a substantial increase in expenditures on both Income and Capital Accounts, care has been exercised to include only such projects as are considered necessary and urgent in the light of the unprecedented growth and development presently taking place in the economy of this Province.

The Government believes that, as a Province, we can make our greatest contribution to the strength and security of our country at this crucial time only if we continue to encourage the progressive development of our vast resources

and make every possible effort to safeguard the welfare and the interests of all our people.

We are met in session on this occasion under the lengthening shadows of a threatening world crisis. While that crisis is not yet inevitable, as realists we cannot shut our eyes to the fact that the threat to our free democratic way of life both from without and from within never has been greater than it is today. Under such circumstances, it is not sufficient that we faithfully represent the viewpoint and the interests of those who elected us to speak for them in this Assembly. It is our inescapable responsibility to exercise every power at our command to protect their heritage of democratic freedom against any and all forces which would destroy it from without or undermine it from within. We will not have discharged our responsibility in this regard until, in addition to military and civilian preparedness, we eliminate from our internal economy the weaknesses and abuses which too often make a mockery of our professed democracy and which are exploited constantly by those who seek to undermine our political and economic freedom and substitute in its place a regimented totalitarian state.

These defects in our internal economy which curtail production, impair distribution, inflate and deflate prices and necessitate oppressive taxation and pyramiding debt, stem primarily from private monopoly control over the money and credit of the nation and cannot be corrected merely by the imposition of government regulations and controls in the field of industry and labour.

The solution lies rather in the intelligent reform of our national monetary system to the end that money and credit will be made the servants instead of the masters of our economy. It requires further the progressive removal of all hindrances to maximum production and to the equitable distribution of the entire output of which Canadian industry is capable.

The objective of the Social Credit Government is to establish such an economy in this Province — an economy free from monopoly control and the abuses of selfishness and greed—an economy which will permit the unrestricted development of our vast resources in the best interests of all our people and assure to every citizen an opportunity to attain and enjoy social and economic security with unimpaired personal freedom.

Within the limitations of our constitutional jurisdiction over matters basic to the consummation of our efforts, the comprehensive program embodied in the Budget I have presented to you today represents a further progressive step towards the attainment of our goal.

May I, therefore, urge all Honorable Members to give these proposals the careful study and consideration they rightfully deserve.

Mr. Speaker, I move that you do now leave the chair and that the Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

Government of the Province of Alberta
STATEMENT OF FUNDED DEBT AS AT MARCH 31, 1950
STATEMENT No. 1

Date of issue	Date of maturity	Amount Outstanding	Original Interest rate	Reduced Interest rate (a)	Currency in which payable (at holders' option)	Call Feature
Debentures & Stock:						
Jan. 15, 1926	Jan. 15, 1946	\$300,000	4½%	2½%	C., U.S. or S.	Non-callable
Jan. 19, 1929	Jan. 19, 1947	15,000.00	5½%	2½%	C., or U.S.	"
Mar. 1, 1932	Mar. 1, 1947	14,000.00	6%	2½%	C., or U.S.	"
Jan. 1, 1932	Jan. 1, 1948	9,000.00	6%	2½%	C., or U.S.	"
April 15, 1928	April 15, 1950	18,000.00	5%	2½%	C., or U.S.	"
June 1, 1928	June 1, 1950	46,000.00	2½%	....	C., or U.S.	"
Dec. 1, 1941	Dec. 1, 1950	230,000.00	2½%	....	C., or U.S.	"
June 1, 1946	June 1, 1951	2,266,000.00	2½%	....	C., or U.S.	"
Oct. 1, 1931	Oct. 1, 1951	2,000.00	4½%	2½%	C., or U.S.	"
Dec. 1, 1947	Dec. 1, 1951	250,000.00	2½%	....	C., or U.S.	"
April 1, 1922	April 1, 1952	9,000.00	5½%	2½%	C., or U.S.	"
June 1, 1945	June 1, 1952	2,329,000.00	2½%	....	C., or U.S.	"
Dec. 1, 1947	Dec. 1, 1952	250,000.00	2½%	....	C., or U.S.	"
June 1, 1945	June 1, 1953	2,400,000.00	3%	....	C., or U.S.	"
Dec. 1, 1947	Dec. 1, 1953	250,000.00	2½%	....	C., or U.S.	"
June 1, 1945	June 1, 1954	2,474,000.00	3%	....	C., or U.S.	"
Oct. 15, 1924	Oct. 15, 1954	5,500.00	4½%	2½%	C., or U.S.	"
Dec. 1, 1947	Dec. 1, 1954	250,000.00	2½%	....	C., or U.S.	"
Dec. 15, 1934	Dec. 15, 1954	9,000.00	4%	2%	C., or U.S.	"
June 1, 1946	June 1, 1955	2,549,000.00	3%	2½%	C., or U.S.	"
Sept. 1, 1933	Sept. 1, 1955	7,500.00	5%	2½%	C., or U.S.	"
Dec. 1, 1947	Dec. 1, 1955	250,000.00	2½%	....	C., or U.S.	"
June 1, 1945	June 1, 1956	2,633,000.00	3½%	....	C., or U.S.	"
Oct. 1, 1926	Oct. 1, 1956	12,000.00	4½%	2½%	C., or U.S.	"
Dec. 1, 1947	Dec. 1, 1956	250,000.00	2½%	....	C., or U.S.	"
Jan. 15, 1927	Jan. 15, 1957	1,000.00	4½%	2½%	C., or U.S.	"
June 1, 1945	June 1, 1957	2,721,000.00	3½%	....	C., or U.S.	"
Dec. 1, 1927	Dec. 1, 1957	3,000.00	4%	2%	C., or U.S.	"
Dec. 1, 1947	Dec. 1, 1957	250,000.00	2½%	....	C., or U.S.	"
June 1, 1945	June 1, 1958	2,812,000.00	1½%	....	C., or U.S.	"
July 16, 1928	July 16, 1958	24,000.00	4½%	2½%	C., or U.S.	"
Oct. 1, 1928	Oct. 1, 1958	42,500.00	4½%	2½%	C., or U.S.	"
June 1, 1945	June 1, 1959	2,906,666.00	3½%	....	C., or U.S.	"
Oct. 1, 1929	Oct. 1, 1959	24,700.00	5%	2½%	C., or U.S.	"
May 1, 1930	May 1, 1960	8,300.00	4½%	....	C., or U.S.	"
June 1, 1945	June 1, 1960	3,603,000.00	3½%	....	C., or U.S.	"
(b) Mar. 1, 1950	Mar. 1, 1961	4,240,000.00	2½%	2½%	C., or U.S.	Callable
(c) April 1, 1931	April 1, 1961	1,400.00	4½%	2½%	C., or U.S.	Non-callable
(c) June 1, 1945	June 1, 1961	2,794,100.00	3½%	....	C., or U.S.	Callable
(c) Mar. 1, 1950	Mar. 1, 1962	4,360,000.00	2½%	....	C., or U.S.	Callable
(c) June 1, 1945	June 1, 1962	2,036,000.00	3½%	....	C., or U.S.	Callable
(b) Mar. 1, 1945	Mar. 1, 1962	847,000.00	2½%	....	C., or U.S.	Callable
(b) Mar. 1, 1950	Mar. 1, 1963	4,480,000.00	2½%	....	C., or U.S.	Callable
(c) June 1, 1945	June 1, 1963	1,597,500.00	3½%	....	C., or U.S.	Callable
(c) June 1, 1945	June 1, 1964	1,396,000.00	2½%	....	C., or U.S.	Callable
(b) Mar. 1, 1945	Mar. 1, 1964	4,600,000.00	3½%	....	C., or U.S.	Callable
(c) June 1, 1945	June 1, 1964	3,098,000.00	2½%	....	C., or U.S.	Callable
(b) Mar. 1, 1950	Mar. 1, 1965	4,730,000.00	3½%	....	C., or U.S.	Callable
(c) June 1, 1945	June 1, 1965	124,000.00	3½%	....	C., or U.S.	Callable
(c) June 1, 1945	June 1, 1965	3,090,000.00	3½%	....	C., or U.S.	Callable

[illegible]

Sterling issues converted at par.

(a) Reduced interest rates tendered by the Province.

(b) Debentures, issued March 1, 1950, in the amount of \$60,700,000, the entire proceeds of which are to be used to redeem debentures called for redemption on June 1, 1950. Proceeds of the issue, \$59,720,909.00 are held by the Bank of Manhattan, New York, under irrevocable instructions to be applied on the redemption.

(c) Called for redemption June 1, 1950.

Abbreviations: C.—Canada; U.S.—United States of America; S.—Great Britain.

STATEMENT No. 2
Government of the Province of Alberta
CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

INCOME ACCOUNT:

Year ended Dec. 31	Particulars	Revenue	Expenditure	Surplus or Deficit*
1905	Per Order-in-Council 966/11.....	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47
1906	"	1,425,059.01	1,279,041.44	146,017.57
1907	"	1,847,452.61	1,839,064.04	8,388.57
1908	"	2,765,900.41	2,079,708.20	676,192.21
1909	"	2,511,851.46	2,632,935.63	121,084.07*
1913	"	2,071,773.94	3,696,826.86	1,625,052.92*
		<u>\$ 11,248,013.00</u>	<u>\$ 11,677,597.17</u>	<u>\$ 429,584.17*</u>
1911	Per Public Accounts.....	2,802,325.79	3,037,618.45	235,292.66*
1912	"	3,419,381.52	3,853,258.48	66,123.04
1913	"	4,519,345.19	4,409,795.18	109,550.01
1914	"	4,850,836.79	4,446,160.31	95,323.52*
1915	"	4,144,040.18	4,742,374.81	598,334.63*
1916	"	4,228,974.28	5,006,993.08	778,018.80*
1917	"	5,069,303.73	5,712,643.03	643,339.30*
1918	"	6,288,336.15	7,132,119.21	848,783.06*
1919	"	8,004,476.10	7,905,330.47	99,145.63
1920	"	9,005,862.21	8,544,052.16	461,810.05
1921	"	8,486,946.25	10,605,165.91	2,118,209.66*
1922	"	9,324,889.73	11,235,192.22	1,910,302.49*
1923	"	10,419,146.26	10,990,830.00	571,683.74*
1924	"	10,506,627.13	11,127,463.55	620,841.42*
1925	"	11,531,025.99	11,343,006.45	188,019.54
1926	"	11,912,128.27	11,894,327.74	17,800.53
1927	"	12,263,400.64	12,479,380.97	215,980.33*
Year ended March 31:				
1928 (3 months) "		3,886,495.04	3,390,751.58	495,743.46
1929	"	15,265,083.77	13,686,260.68	1,578,823.09
1930	"	15,829,866.22	15,402,884.57	426,980.65
1931	"	15,710,962.44	18,017,543.54	2,306,581.10*
1932	"	13,492,430.28	18,645,481.20	5,153,050.92*
1933	"	15,426,264.94	17,633,785.97	2,107,521.03*
1934	"	15,178,607.44	17,056,638.86	1,878,031.42*
1935	"	15,697,770.48	17,435,821.37	1,738,050.89*
1936	"	16,575,161.62	18,225,949.86	1,650,798.24*
1937	"	20,743,045.72	20,665,192.83	77,862.89
1938	"	24,127,805.54	21,259,739.46	2,768,066.08
1939	"	24,269,817.40	21,242,625.48	3,027,191.92
1940	"	24,410,039.54	21,922,189.04	2,487,850.60
1941	"	24,921,669.29	20,570,675.91	4,350,993.38
1942	"	27,213,546.34	19,965,125.48	7,248,420.86
1943	"	27,961,197.97	21,588,134.34	6,373,063.63
1944	"	29,786,033.38	23,095,501.98	6,690,531.40
1945	"	31,848,484.17	25,962,684.07	5,885,800.10
1946	"	40,915,956.30	29,268,547.92	11,647,408.38
1947	"	42,588,038.42	31,939,342.48	10,648,695.94
1948	"	57,209,572.31	40,020,848.24	17,188,724.07
1949	"	70,445,624.43	45,496,101.78	24,950,522.65
1950	"	99,553,102.08	53,009,207.90	46,543,894.18
1946 Debt Reorganization Programme		14,858,225.24	27,634,566.17	12,776,340.93*
		<u>\$825,434,848.57</u>	<u>\$708,777,904.90</u>	<u>\$116,656,943.67</u>
Add: Excess of income assets over liabilities and adjustment				8,410,059.64
Income surplus, March 31, 1950.....				<u>\$125,067,003.31</u>
CAPITAL ACCOUNT:				
Excess of capital expenditures over receipts to March 31, 1950				62,676,129.38
General Revenue Fund surplus, March 31, 1950				<u>\$ 62,390,873.93</u>
ALBERTA GOVERNMENT TELEPHONES:				
Surplus, March 31, 1950				2,253,693.13
Consolidated surplus, March 31, 1950				<u><u>\$ 64,644,667.06</u></u>

Certified correct,

O. K. HUCKVALE, C.A.,

Provincial Auditor

STATEMENT No. 3
Government of the Province of Alberta
STATISTICS

1. AGRICULTURE—**(a) General:**

Area..... (Acres).....	Land	159,232,000	Acres.
	Water	4,150,400	Acres.
	TOTAL	163,382,400	Acres.
Area..... (Sq. Miles).....	Land	248,800	Sq. Miles.
	Water	6,485	Sq. Miles.
	TOTAL	255,285	Sq. Miles.
Population..... (1946).....	Rural	448,934	No.
	Urban	354,396	No.
	TOTAL	803,330	No.
Population..... (1946).....	Male	423,997	No.
	Female	379,333	No.
	TOTAL	803,330	No.
Area of National Parks		13,399,808	Acres.
Area of Forest Reserves		8,947,680	Acres.
Area of Forested Lands		83,635,200	Acres.
Area of Lands excluding Dom. and Prov. Parks and Alienated Land		97,994,240	Acres.
Area of Total Lands		159,232,000	Acres.
Area of Agricultural Land		87,449,600	Acres.
Area of Arable Land		70,000,000	Acres.
Area of Occupied Farms		41,000,000	Acres.
Area of Farm Land Under Cultivation.....		20,280,600	Acres.
Number of Farms (1946)		89,561	No.

(b) Production:

(Revised to March 1, 1951)

	Unit	1949 (Final)	1950 (Preliminary)
Wheat Production	Quantity..... Bushels.....	103,000,000	117,000,000
	Value..... \$.....	161,710,000	148,590,000
Other Grains' Production	Quantity..... Bushels.....	91,475,000	133,277,000
	Value..... \$.....	86,687,000	101,395,000
Forage Seed Crops	Value..... \$.....	4,396,000	5,566,000
Root Crops Production	Quantity..... Tons.....	401,550	572,350
	Value..... \$.....	8,723,000	12,225,000
Fodder Crops Production	Quantity..... Tons.....	1,824,000	2,186,000
	Value..... \$.....	26,745,000	32,419,000
Live Stock Population	Horses..... No.....	349,400	318,900
	Cattle..... No.....	1,044,000	1,039,100
	Calves..... No.....	421,000	403,800
	Sheep and Lambs..... No.....	441,800	414,500
	Swine..... No.....	847,100	809,700
Live Stock Marketings	Horses..... No.....	17,000	27,551
	Cattle..... No.....	526,958	470,354
	Calves..... No.....	126,089	137,721
	Sheep and Lambs..... No.....	172,812	168,177
	Swine..... No.....	924,717	960,608
	Total Value..... \$.....	134,630,000	152,357,000
Live Stock Shipments for Alberta.....	Horses..... No.....	5,426	9,131
	Cattle..... No.....	306,582	298,037
Dairy Production.....	Value..... \$.....	40,546,000	39,444,000
Poultry Production.....	Value..... \$.....	23,781,000	22,430,000
Miscellaneous Agricultural	Value..... \$.....	2,959,000	3,117,890
TOTAL—Agricultural Production.....	Value..... \$.....	490,177,000	517,543,890

STATEMENT No. 3—Continued
Government of the Province of Alberta
STATISTICS

2. NATURAL RESOURCES:

(Revised to March 1, 1951)

	Unit	1949 (Final)	1950 (Preliminary)
Coal Production	Quantity.....Tons.....	8,616,983	8,118,206
	Value.....\$.....	44,541,538	41,631,579
Petroleum Production	Quantity.....Bbls.....	19,768,946	27,149,318
	Value.....\$.....	57,403,076	86,568,178
Natural Gas Production (Well Head)	Quantity.....M. cu. ft.....	67,095,204	75,578,509
	Value.....\$.....	3,354,760	3,778,925
Salt Production	Quantity.....Tons.....	28,258	25,595
	Value.....\$.....	282,580	255,950
Forestry—Lumber Cut	Quantity.....Ft. b. m.....	354,702,930	350,000,000
	Value.....\$.....	14,188,117	15,750,000
Miscellaneous Forestry Products.....	Value.....\$.....	2,811,883	2,250,000
Commercial Fisheries	Quantity.....Lbs.....	6,143,664	7,066,750
	Value.....\$.....	556,214	767,887
Fur	Value.....\$.....	1,926,783	1,888,918
TOTAL—Natural Resources	Value.....\$.....	125,064,951	146,890,537

3. OTHER STATISTICS:

Trade and Industry—			
Retail Trade	Sales.....\$.....	673,100,000	711,607,200
Wholesale Trade	Sales.....\$.....	380,000,000	430,000,000
	Value of		
Manufacturing Industries	Production.....\$.....	400,000,000	436,000,000
Railway Mileage	Miles.....	5,805	5,805
Schools in Operation	No.....	2,459	2,303
Motor Vehicles	No.....	201,011	230,000
Surfaced Highways	Miles.....	15,888	18,066
Bank Clearings	\$.....	2,279,483,011	2,626,870,717
Bank Debits	\$.....	4,750,144,275	5,631,919,969
	Contracts		
Construction Industry	Awarded.....\$.....	104,380,600	134,878,500